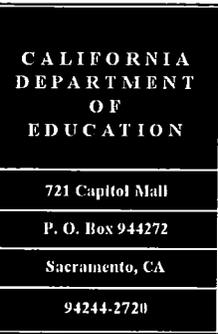




DELAINE EASTIN
State Superintendent of Public Instruction



August 7, 2002

Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

RECEIVED

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**COMMISSION ON
STATE MANDATES**

Dear Ms. Higashi:

Correspondence from the Commission on State Mandates (CSM) dated July 8, 2002, requests comments from interested parties on a test claim submitted by the San Juan Unified School District titled, Academic Performance Index; 01-TC-22. Due to the fact that the test claim alleges reimbursable costs in multiple areas, comments have been provided for each area. The areas of the test claim are: 1) Academic Performance Index; 2) Immediate Intervention/Underperforming Schools; 3) High Achieving Schools Program or Governors Performance Awards (GPA); 4) School Site Employee Performance Bonus; and 5) Certificated Staff Performance Incentive Program.

Academic Performance Index (API)

The API is calculated from indicators currently reported to the CDE as part of the Standardized Testing and Reporting Program (STAR). Part III, Section 1.A of the Test Claim alleges reimbursable costs for activities which already receive funding under Title 5, California Code of Regulations, Division 1, Chapter 2 Pupils, Subchapter 3.75 Standardized Testing and Reporting Program. The budget provides \$65.6 million for STAR administration, continued development, scoring, error correction, and apportionment. In addition, test claim 97-TC-23, Standardized Testing and Reporting, will provide reimbursement for reimbursable costs not covered by the STAR apportionment.

Immediate Intervention/Underperforming Schools Program (IIUSP)

This is not a mandated program. Schools failing to meet growth targets and in the lower five API deciles are invited to apply for this award program and participation is at the discretion of school districts. Schools participating in the program are provided with a \$50,000 planning award and receive \$200 per pupil upon completion of an action plan. Any subsequent activities that result due to applying for or administering the awards (e.g. contracting with external evaluators and intervention teams, providing matching funds, conducting public hearings), are a function of a district's original election to participate in the program and are required only after the district's original election to participate in the program.

High Achieving Schools Program or Governors Performance Awards (GPA)

This is not a mandated program. Eligible schools that meet or exceed API growth targets and Stanford 9 participation rates are notified that they will receive this award. Funding of up to \$150 per pupil tested in grades 2-11 is provided. Although school districts have the option of turning down these funds, this option was not explicitly stated to districts. Therefore, although not mandated, districts may have interpreted acceptance of the funds as being required. The program is designed to allow significant flexibility, so that districts have the ability to target unique needs and/or requirements. The use of funds is not restricted and their use is to be decided by existing School Site Councils. The School Site Councils are already required as a part of federal Title I programs. Any additional costs not covered by awards due to decisions made by School Site Councils are due to discretionary actions. Therefore, these activities do not meet the test of constituting mandated programs or activities. In addition, since the use of these funds is not restricted, districts' administrative, labor, materials and supplies, data processing services and software, contracted services and consultants, equipment and capital assets, staff and student training and travel costs can appropriately be funded from the actual grant awards.

School Site Employee Performance Bonus

This is not a mandated program. Schools that meet or exceed API growth targets and Stanford 9 participation rates are invited to apply for this award program and participation is at the discretion of school districts. Schools are funded at \$591 per full-time equivalent (FTE) and any subsequent activities that result from applying for or administering the awards are a function of a district's election to participate in the program. However, should the CSM decide to interpret this program as a mandated program, the employer portion of salary-driven benefit costs should be excluded from the Parameters and Guidelines. These costs can be recovered from the award itself as a result of prior legislation (See AB 804, Ch. 734/2001).

Certificated Staff Performance Incentive Program

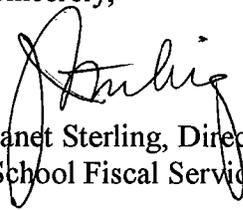
This is not a mandated program. Schools that meet or exceed API growth targets and Stanford 9 participation rates are invited to apply for this award program and participation is at the discretion of school districts. Schools are funded to a maximum of \$25,000 per certificated staff member on a FTE basis and any subsequent activities that result due to applying for or administering the awards are a function of a district's election to participate in the program. However, should the CSM decide to interpret this program as a mandated program, the program allows the employer portion of salary-driven benefit costs to be recovered via the collective bargaining process at the district level. Thus, the benefit costs can be built into the award and the salary portion adjusted accordingly to mitigate any resulting benefit costs to the district. Therefore, such costs should be excluded from the Parameters and Guidelines.

Ms. Paula Higashi, Executive Director
August 7, 2002
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As required by CSM regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list that accompanied your letter have been provided copies of this letter via either the United States Mail or, in the case of State agencies, Interagency Mail Service.

Should you have questions, please contact Juan Sanchez at (916) 322-3074, or Gerry Shelton at (916) 323-8068.

Sincerely,



Janet Sterling, Director
School Fiscal Services Division

JS:js

Attachments

PROOF OF SERVICE

Test Claim Name: Academic Performance Index

Claim Number: 01-TC-22

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 560 J Street, Suite 150, Sacramento, CA 95814.

On August 7, 2002, I served the attached comment of the California Department of Education in said cause, by facsimile to the Commission on State Mandates and by placing a true copy Therefore: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 560 J Street, Suite 150, for Interagency Mail Service, addressed as follows:

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Mr. Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816
Fax: 454-7312

I declare under penalty of perjury under the laws of the State of California that the fore going is true and correct, and that this declaration was executed on August 7, 2002, at Sacramento, California.

Carina Saraiva 8/7/2002
Carina Saraiva